



**I/3 HR/Payroll Budget Request
Administration and Regulation Subcommittee
February 20, 2008**

1. **What is the request for?** It will be used to determine what the best option is for the State of Iowa to complete the HR/Payroll functions as a part of the ERP system.
2. **Why does the State need to replace its current system?** From a technical perspective our current system infrastructure is obsolete and staffing to support this system is becoming increasingly difficult to find. From a business perspective, the newer systems provide more functionality that could be offered to state agencies and these systems are table driven so many changes can be accomplished more quickly.
3. **What is the general background of the ERP system?** The ERP (I/3) system is the backbone that is used by the State to account for all the financial activity and processes incurred by State government. The HR/Payroll function is the last planned phase of the ERP (I/3) project. The Finance and Budget functions were implemented in 2004. After work initially commenced on the HR/Payroll function, the decision was made to suspend the work to enable the State to achieve greater stability and functionality with the Finance and Budget functions. We currently have an agreement with the vendor (CGI) that would permit restart of the project benefiting from license pricing and requirements that were in the original RFP and bid response.
4. **What detailed work will be completed with this request?**
 - a. **Implementation analysis in conjunction with our current ERP (I3) vendor, CGI (\$397,000).** This analysis will document any changes affecting the system since the suspension of the implementation of the HR/Payroll function. It will also result in modification of the State's original design documents to reflect any changes the State has made as well as additional capabilities that CGI has added to their software. The State contribution associated with the analysis would be key functional subject matter experts and technical staff on a part time basis during the period of the analysis, currently planned to take 3 months.
 - b. **Preparation of an RFP for the HR/Payroll function (\$30,000).** Since the original RFP was issued in 2001, this process can be repeated to ensure there isn't a better opportunity or fit for the State at this time. The entire process could take up to 9 months, including negotiation of a contract.
 - c. **Based on information above,** funding would be requested to complete the implementation of the project in future years.